



DELIVERING SUSTAINABLE GROWTH

INTERIM RESULTS PRESENTATION

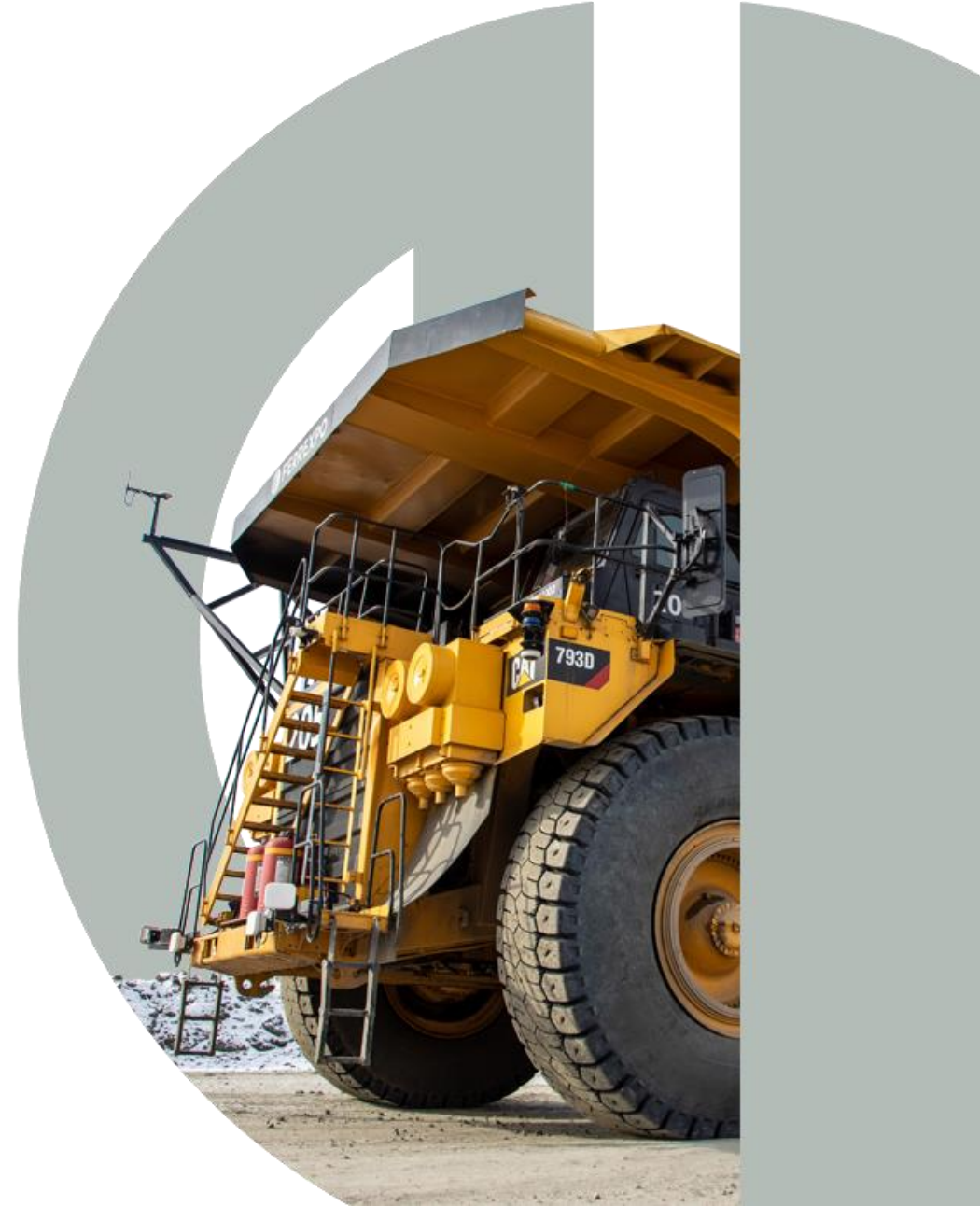
August 2021

Lucio Genovese, Non-Executive Chair

Jim North, Interim Chief Executive Officer

Nikolay Kladiev, Chief Financial Officer

Brett Salt, Chief Marketing Officer



INTRODUCTION

- **CONTINUED STRONG SAFETY PERFORMANCE**
- **SOLID FINANCIAL PERFORMANCE**
 - Over US\$2.9 billion of investment since IPO has positioned Ferrexpo at the forefront of high-grade iron ore market.
- **INVESTING IN FUTURE GROWTH**
 - Building from one phase of growth to the next.
- **SHAREHOLDER RETURNS**
 - Interim dividend of 39.6 US cents per share declared today.
- **GOVERNANCE AND MANAGEMENT**
 - Recent appointment of Nikolay Kladiev as Group CFO.



KEY HIGHLIGHTS

0.37 LTIFR

SAFE AND SUSTAINABLE
PRODUCTION, OPERATIONS
CONTINUE TO PERFORM AHEAD OF
HISTORIC SAFETY AVERAGE (0.98)

+147%

UNDERLYING EBITDA
INCREASING TO US\$868 MILLION,
REFLECTING MARKET STRENGTH
AND INVESTMENT IN HIGH-GRADE
IRON ORE

6% REDUCTION

DELIVERING CARBON REDUCTIONS
TODAY, CUTTING CARBON
FOOTPRINT PER TONNE, ON TOP OF
16% REDUCTION IN 2020

39.6 CENTS

DISCIPLINED CAPITAL ALLOCATION
ALLOWING FOR BOTH INVESTMENT
IN GROWTH AND SHAREHOLDER
RETURNS

3MT GROWTH

INITIAL CONTRACTS SIGNED FOR
NEXT PHASE OF INVESTMENT, TO
DELIVER FURTHER 3MT OF PELLET
CAPACITY

67% FE

FIRST LONG TERM CONTRACT
SIGNED FOR DR PELLETS, AS NEW
PRODUCT OFFERING CONTINUES
TO DEVELOP

FINANCIAL REVIEW

Nikolay Kladiev, Group Chief Financial Officer



SUMMARY FINANCIALS

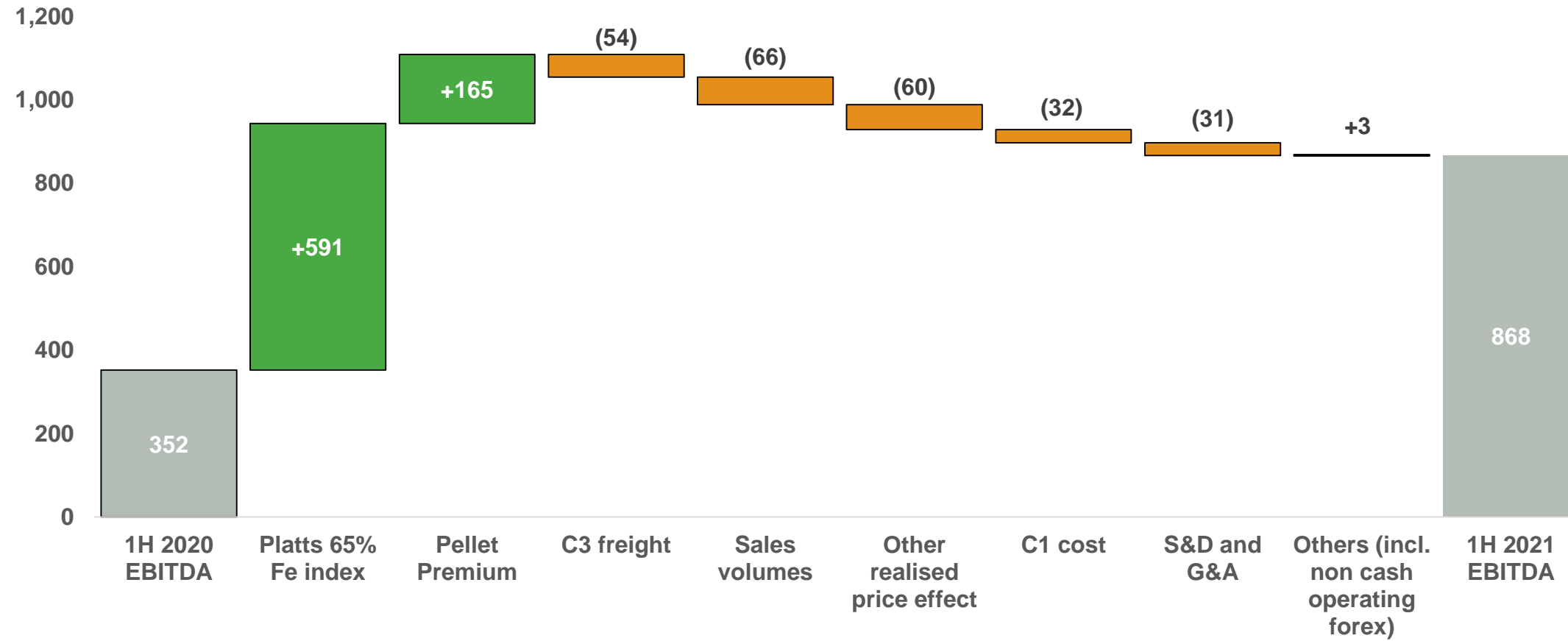
(USD million, unless stated)	1H21	1H20	Change	FY2020
Pellet production (kt)	5,563	5,598	(1%)	11,218
Sales volumes (kt)	5,567	6,107	(9%)	12,062
High-grade iron ore ¹ (US\$/t)	212	106	+100%	122
Pellet premium ² (US\$/t)	54	30	+82%	29
Revenue	1,353	776	+74%	1,700
C1 Cost (US\$/t)	47	41	+14%	42
Underlying EBITDA	868	352	+147%	859
Underlying EBITDA margin	64%	45%	+19pp	50%
Capital investment	142	96	+48%	206
Cash and cash equivalents	235	169	+39%	270
Net cash / (Net debt)	213	(174)	+387	4

INVESTING IN HIGH-GRADE IRON ORE PRODUCTION

- **Pellet production** in line in 1H 2021, despite pelletiser upgrade work undertaken in the period.
- **Sales volumes** down 9% as result of destocking process in prior year, but in line with production. Pellet inventories c.500kt as of June 2021.
- **Revenues** increase 74% as a result of strong market conditions and demand for high grade iron ore pellets.
- **C1 costs** reflects increasing in energy prices (natural gas, electricity, fuel).
- **Underlying EBITDA margin** reflects investment in high grade products.
- **Capital investment** increase relates to pelletiser upgrade work and additional stripping volumes for further growth.

STRONG CASH FLOW VIA HIGH GRADE OUTPUT

All figures US\$, millions

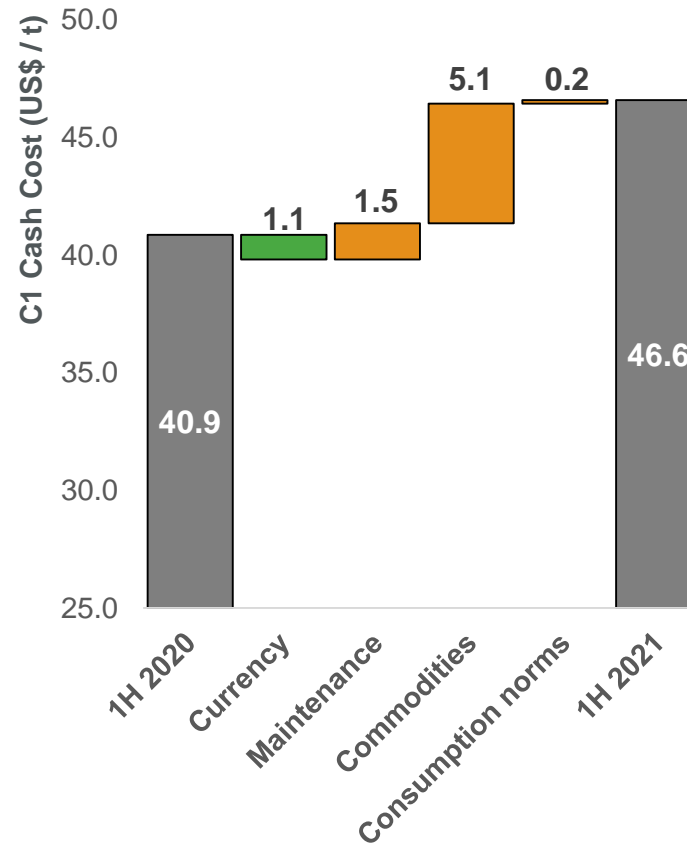


MAINTAINING EFFECTIVE COST CONTROL

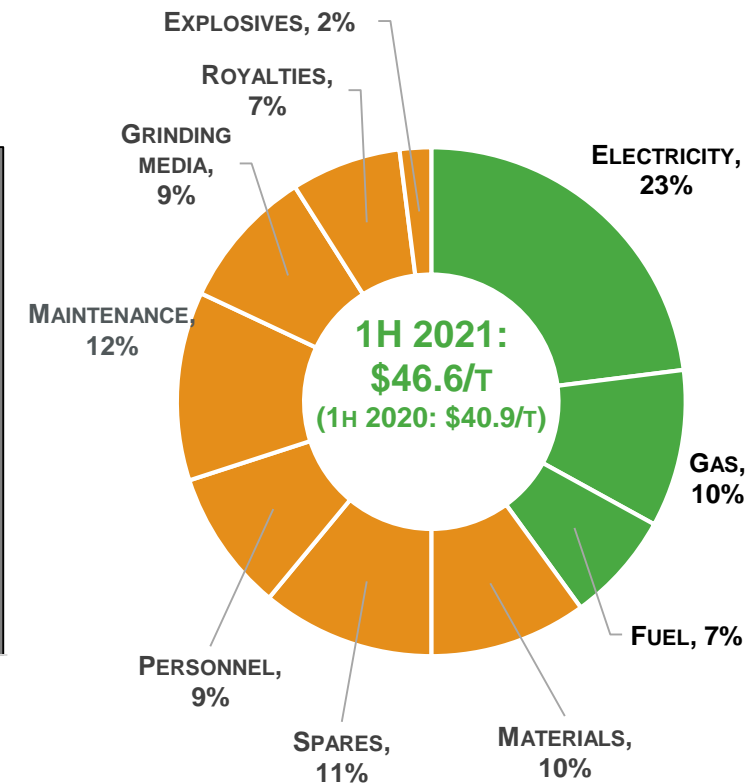
MAINTAINING POSITION AS LOW COST PRODUCER

- **2020:** COVID-19 related cost movements as commodity prices fall.
- **1H 2021:** return to pre-COVID cost levels.
- **2H 2021:** C1 costs expected to continue to track commodity prices, with potential amendment to royalty framework. Stripping and pelletiser maintenance work to continue into 2H.

1H 2021: KEY DRIVERS OF CASH COSTS



C1 COSTS: 40% RELATED TO ENERGY PRICES



CASH FLOW REVIEW

(USD million, unless stated)	1H21	1H20	Change	FY2020
Underlying EBITDA^A	868	352	+147%	859
Working capital movements	(126)	(25)	+404%	(24)
Interest paid	(6)	(13)	(54%)	(21)
Tax paid	(107)	(19)	+463%	(57)
Other (incl. non-cash operating forex)	32	(38)	N/A	(70)
Net cash flow from Operations	661	258	+156%	687
Capital investment	(142)	(96)	+48%	(206)
Dividends paid	(310)	(58)	+434%	(195)
Debt repayments, net	(242)	(67)	+259%	(145)
Cash balance at end of period	235	169	+39%	270
Net cash / (net debt)	213	(174)	+387	4

STRONG PERFORMANCE ENABLING CAPITAL ALLOCATION

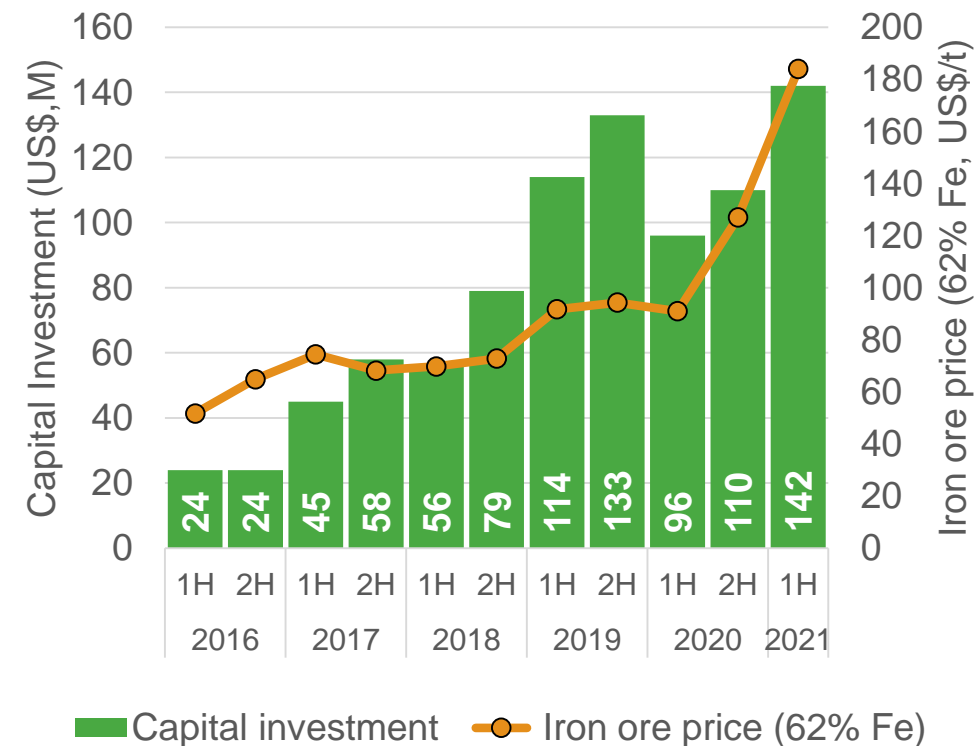
- **Working capital** outflow as a result of higher trade receivables due to the high prices and an increase of inventories due to inflation of purchase prices.
- **Interest paid** decreased due to lower outstanding debt balance.
- **Taxes paid** increased as a result of higher profitability. 97% of taxes paid in Ukraine contributing to the economy in Ukraine.
- **Capital investment** projects in 1H 2021 comprises US\$49M sustaining capex and US\$93M of expansion projects, including:
 - Pelletiser upgrade work: US\$20M.
 - Capitalised stripping activities: US\$28M.
 - Press filtration upgrade: US\$21M.
- **Dividends paid:** significant contributions to shareholders distributed in 1H 2021, the equivalent of 53 US cents per share¹.
- **Early repayment of major debt facility** on 30 June 2021.

DISCIPLINED CAPITAL ALLOCATION

LOOKING TO BALANCE GROWTH AND RETURNS

- **Early repayment of debt facility (June 2021)**
- **Capital investment**
 - Over US\$2.9 billion invested since IPO.
 - Investment increased to US\$142 million in 1H 2021 (1H 2020: US\$96 million).
- **Shareholder returns**
 - Interim dividend of 39.6 US cents per share announced today.
 - Declared in recognition of strong balance sheet, advancing investment programme in growth and current market strength.

5Y CAPITAL INVESTMENT PROFILE



MARKET REVIEW

Brett Salt, Chief Marketing Officer



MARKET REVIEW: 1H 2021

IRON ORE

\$212/t ▲ 100%

GOVERNMENT STIMULUS IN
RESPONSE TO COVID-19 DRIVING
STEEL DEMAND

ATLANTIC PELLET PREMIUMS¹

\$54/t ▲ 82%

REFLECTING TIGHT SUPPLY AND
INCREASING ENVIRONMENTAL
CONTROLS

HIGH GRADE PREMIUM

\$28/t ▲ 91%

FOCUS ON ENVIRONMENTAL
CONTROLS DRIVING DEMAND FOR
HIGHER GRADES

65% INDEX

FERREXPO'S PRODUCTS CONTINUE
TO BE PRICED OFF THE 65% FE
INDEX

FLEXIBLE

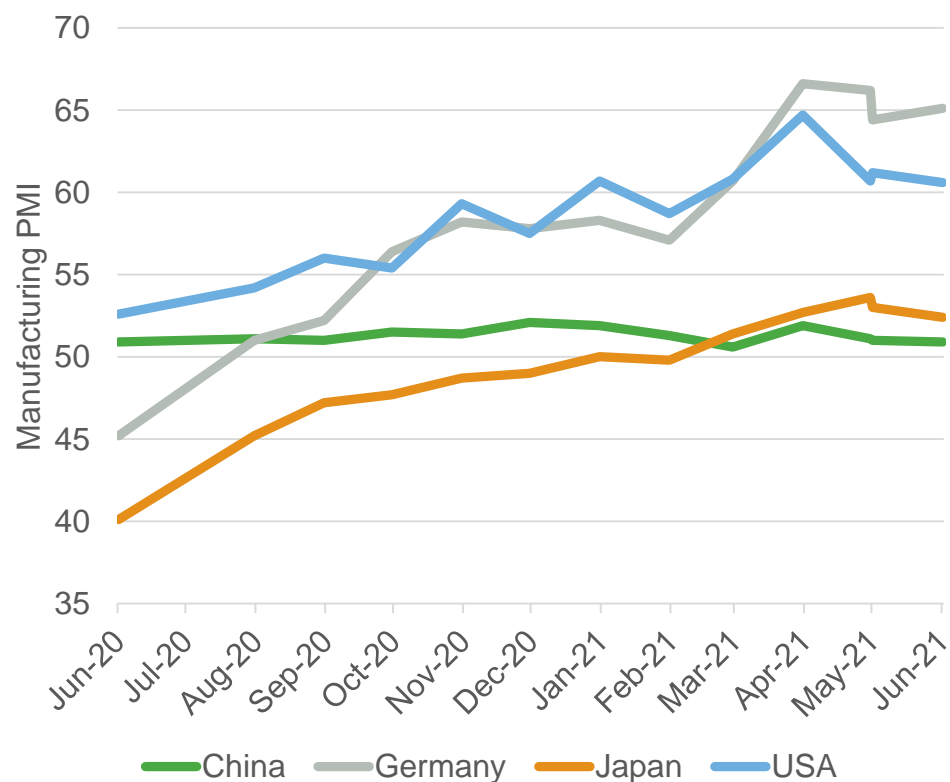
FERREXPO'S CENTRAL LOCATION IN
UKRAINE ENABLES ABILITY TO
PIVOT BETWEEN SALES TO EAST
AND WEST

HIGH DEMAND

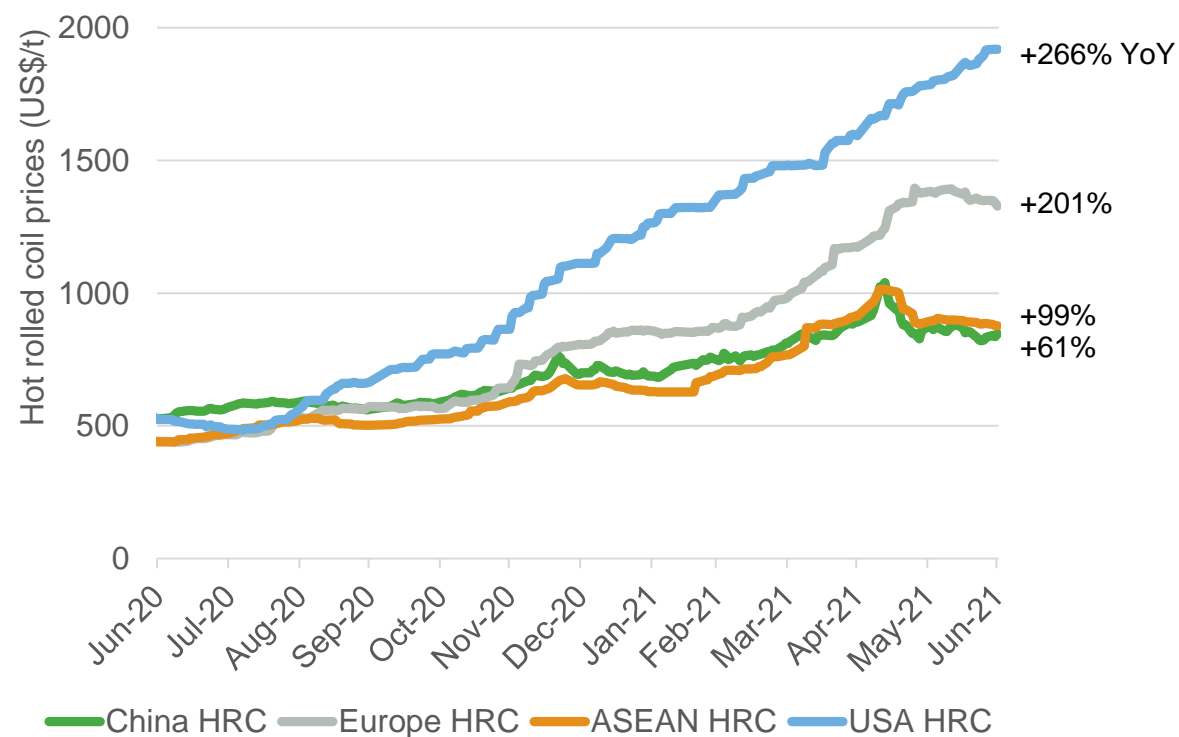
MARKET BALANCE RETURNING TO
HISTORIC LEVELS POST-2020, WITH
STRONG DEMAND RECOVERY IN
EUROPE

NEAR-TERM: DEMAND-SIDE INDICATORS

STRONG PMI RECOVERY ACROSS REGIONS...



...FUELLING ELEVATED STEEL PRICES



LONGER-TERM: DECARBONISATION IN STEEL

1.85 TONNES

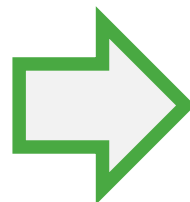
CO₂ PRODUCED PER
TONNE STEEL
(GLOBAL AVERAGE)



STEEL REPRESENTS 7% OF GLOBAL
CARBON EMISSIONS¹

**-30% CO₂
BY 2030**

AMBITIOUS
SOVEREIGN CARBON
PLEDGES



HIGH-GRADE BLAST FURNACE PELLETS
REDUCE EMISSIONS IN STEELMAKING
TODAY

**NEUTRALITY
BY 2050**

GREEN STEEL &
CARBON NEUTRAL
ECONOMIES



DIRECT REDUCTION PELLETS OFFER
PATHWAY TO CARBON-FREE GREEN
STEEL PRODUCTION

MARKET OUTLOOK

- 1 2H 2021 supply-side: Iron ore deficit to narrow as additional supply arrives (Australia, India).
- 2 2H 2021 demand-side: China policy and increased scrap usage to reduce fines demand.
- 3 Fines prices likely to soften into 2022, but remaining elevated (FY2022 consensus: \$132/t)
- 4 New supply however likely to be low grade – strengthening case for high grade premiums.
- 5 Environmental controls and decarbonisation to continue to incentivise pellets (pellet premium).
- 6 Further reoccurrences of COVID-19 variants to potentially shift global demand patterns.

OPERATIONS & RESPONSIBLE BUSINESS

Jim North, Interim Chief Executive Officer



OPERATIONS UPDATE

- **Strong safety** performance (LTIFR: 0.37).
 - Performance continues materially below the 5-year trailing average for the Group (0.98).
- **Production:** 5.6 million tonnes produced 1H 2021, in line year on year.
- **Growth in 2021:** First stage of pelletiser upgrade work nearing completion.
 - Three lines completed
 - Final line to be upgraded 3Q 2021
 - Project to add 0.5-1.0Mt in pellet capacity, consuming excess concentrate from 2020 upgrade.
- **Future growth:** long-lead time equipment ordered for next phase of concentrator expansion (Weir, Metso).



Trial solar power project (5MW), commissioned in July 2021. If successful, the Group will scale up this facility.

Electricity represented 41% of the Group's CO₂ emissions in 1H 2021 (Scope 1 and 2).

DIRECT REDUCTION PELLETS

- **Production process:** high grade ores, slower processing rates. Fundamentally same production process however.
- DR pellet offering developing: **1st long-term contract secured**. Trial shipments continuing.
- **Global footprint:**
 - Typical customer base in Middle East and North America.
 - Additional enquiries from European steelmakers for trials.
- Opportunity to **lower Group's Scope 3 emissions**.



Image: an iron ore pellet immediately after exiting the Group's pelletiser, which heats concentrate to over 1,300°C using a combination of natural gas and biofuels (sunflower husks).

TECHNOLOGY & INNOVATION

- **Fleet automation:** five haul trucks now deployed, following project commencement December 2020.
- **Mining electrification:** overhead cable network on ramps to significantly reduce diesel consumption in mining.
 - Further electrification of mining operations under review (haul trucks & locomotives).
- **Solar power pilot plant:** commissioned July 2021.
- **Dry stack tailings:** engineering work underway for cost and environmental benefits (reduced energy and water consumption).



Image: autonomous truck in production areas of Ferrexpo's Yeristovo Mine, March 2021.

The Group now has five trucks in autonomous mode, having unveiled Europe's first large-scale autonomous haul truck in late 2020.

RESPONSIBLE BUSINESS

- **Continued reporting:** 6th annual Responsible Business Report published today.
- **Delivering carbon cuts today:**
 - FY 2020: realised 16% reduction¹.
 - 1H 2021: further 6% reduction¹.
- **Water stewardship**
 - 91% water recycling in plant.
 - 7th consecutive year of reduced water withdrawal from local supply.
- **Diversity and inclusion:** inaugural survey in 2021, alongside “Fe_Munity” programme for development of future female leaders.



Image: “Fe_Munity” training programme, initiated in 2020 to advance the careers of high-potential female employees, with 72 women taking part in the first year of this project.

CONCLUSIONS

SAFETY

EMBEDDING A CULTURE OF SAFETY THROUGH **CONTINUED OPERATING DISCIPLINE**.

MODERN

DEPLOYING MODERN TECHNOLOGY TO IMPROVE SAFETY AND EFFICIENCY, PLACING **UKRAINE AT FOREFRONT OF INNOVATION**.

GROWTH

DEVELOPING ASSETS TODAY THROUGH CONTINUED **SIGNIFICANT INVESTMENT** IN THE **GROUP'S OPERATIONS**.

RESOURCES

CELEBRATING **50 YEARS** AS A MAJOR EMPLOYER, LOOKING FORWARD TO A FURTHER **50 YEARS AHEAD¹**.

PREMIUM

DEVELOPING **PREMIUM PRODUCTS**, EXPANDING INTO NEW **PREMIUM MARKETS**.

SUSTAINABLE

DELIVERING SIGNIFICANT **CARBON REDUCTIONS** TODAY.

THANK YOU



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